

# DAILY MARKET SUMMARY



VOLUME 4 December 31, 2020

## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	MAILPAC	GK	SEP	FTNA	BPOW
Current Price (\$)	2.78	62.68	64.90	5.66	2.78
Trailing EPS (\$)	0.17	5.67	4.196	0.24	0.10
P/E (times)	16.35	11.06	15.47	23.31	27.27
Projected P/E	14.62	10.37	14.97	21.70	24.17
Projected EPS (\$)*	0.19	6.04	4.336	0.26	0.12
Book Value per share (\$)	0.19	56.78	22.55	1.15	1.77
Price/Book Value (times)	14.87	1.10	2.88	4.92	1.57
Dividend Yield (2019 %)	N/A	2.44%	3.34%	N/A	0.40%
Volumes	2,639,122	197,048	6,508	44,184	1,000
Recommendation	BUY	HOLD	BUY	HOLD	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	145.990	109.755	141.5233	148.680	112.330	143.3834
CAN	113.000	90.000	106.4122	115.203	91.000	111.1146
GBP	194.000	169.500	187.6145	197.198	177.500	192.7112
EURO	169.900	150.000	167.3733	180.200	155.000	178.5591

\*Rates as at December 30, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 31, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (December 31, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.

## STOCK OF THE DAY: Seprod Limited (SEP)

**For the nine months ended September 30, 2020:**

Revenue, for the nine months ended September 30, 2020, totalled \$28.66 billion compared to the \$24.80 billion recorded for the same period of the prior financial year; this represents a 16% increase year over year.

Cost of Sales rose by 15% from \$15.77 billion to \$18.06 billion. Consequently, Gross Profit increased 17% to close at \$ \$10.60 billion (2019: \$9.02 billion).

Finance and Other Income for the period totalled \$997.70 million relative to \$175.03 million in 2019 a 470% increase year over year.

Other operating expenses increased by 11% to close the nine months at \$7.78 billion (2019: \$6.99 billion). Operating Profit increased by 73% to total \$3.81 billion (2019: \$2.21 billion) for the nine months.

Finance Costs totalled \$866.09 million; a negligible decrease of 0.1% compared \$866.67 million in 2019. Pre-tax Profits more than doubled to end at \$2.93 billion in comparison to profits of \$1.39 billion last year, representing a 111% increase. Taxation of \$401.17 million was booked for the period relative to \$233.81 million in 2019 to result in a Net Profit from continuing operations of \$2.53 billion (2019: \$1.16 billion).

The Company also reported loss from discontinued operation of \$47.30 million relative to last year's loss from discontinued operations of \$786.50 million. As such, Net Profit for the nine months ended September 2020 totalled \$2.48 billion (2019: \$377.75 million).

Additionally, Seprod, for the nine months ended September 30, 2020, reported Total Comprehensive Income of \$2.61 billion relative to \$469.98 million reported in the corresponding 2019 period.

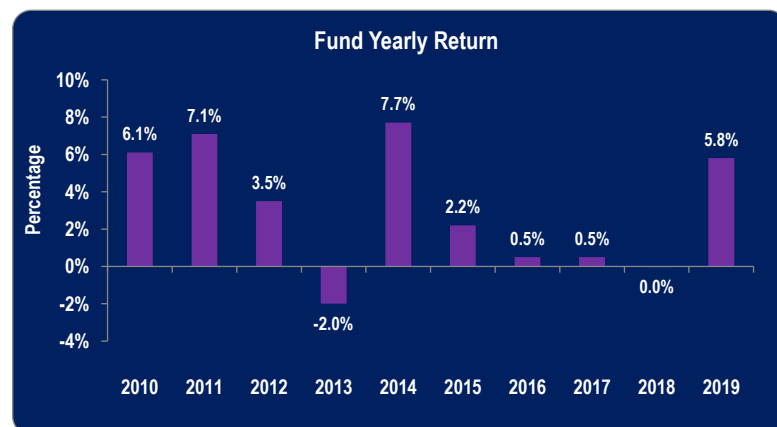
Earnings Per Share for the nine months ended September 30, 2020 amounted to \$3.38 relative to \$0.51 for the corresponding period in 2019. The twelve months trailing EPS is \$4.20. The number of shares used in our calculations is 733,546,855.

## Over The Counter Funds (CI FUNDS)

### Signature Canadian Bond Fund

This fund invests primarily in fixed income securities of Canadian governments and companies. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 4.5% and a 5 year return of 3.2%. The Fund also has a 10 year return of 3.3%. Rates are as at November 30, 2020.



<sup>+</sup>Prices are as at December 31, 2020 \*Projections are made to the company's financial year end

“The Trump administration imposed tariffs on additional products from the European Union as part of a long-running dispute over subsidies to aircraft makers Airbus SE and Boeing Co. In November, the EU instituted duties on some \$4 billion in goods from the U.S. after gaining approval from the World Trade Organization. A year earlier, the U.S. sanctioned about \$7.5 billion in imports from the EU including French wine and Scotch whisky.”

<https://www.bloomberg.com/news/articles/2020-12-30/u-s-adjusts-tariffs-on-eu-products-hit-in-airbus-boeing-fight?srnd=economics-vp>

“After suffering its worst economic downturn since independence, Singapore is expecting to see a rebound in 2021, Prime Minister Lee Hsien Loong said Thursday, echoing other top officials to caution that the recovery will be uneven. “Economically, we are not yet out of the woods either, but we are beginning to see signs of stabilization,” with employment picking up and multinational firms making new investments, Lee said in a New Year’s address. “We look forward to a rebound in 2021, although the recovery will be uneven, and activity is likely to remain below pre-Covid-19 levels for some time.”

<https://www.bloomberg.com/news/articles/2020-12-31/singapore-sees-uneven-recovery-in-2021-after-worst-ever-downturn?srnd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at December 28, 2020

	Percentage (%)
Yield to Maturity	3.93
Weighted Average Coupon	4.903
Current Yield	4.81

The platinum portfolio has an effective maturity of 13.38 years and duration of 4.87 years.

## STRUCTURED PRODUCT

### Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to provide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for persons who do not have the time to actively manage their own portfolio

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### MIL Ratings System:

**BUY:** We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

**HOLD:** We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

**SELL:** We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

**SPECULATIVE BUY:** We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: [www.jamstockex.com](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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